

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

October 30, 2000

IN RE:)
)
RBS GAS UTILITY, INC.) **DOCKET NO. 00-00279**
ACTUAL COST ADJUSTMENT (ACA) AUDIT)

**ORDER ADOPTING ACA AUDIT REPORT OF TENNESSEE REGULATORY
AUTHORITY'S ENERGY AND WATER DIVISION**

This matter came before the Tennessee Regulatory Authority (the "Authority") at a regularly scheduled Authority Conference held on September 26, 2000, for consideration of the report of the Authority's Energy and Water Division (the "Staff") resulting from the Staff's audit of RBS Gas Utility Inc.'s ("RBS" or the "Company") annual deferred gas cost account filing for the twelve (12) month period ending February 28, 2000. The Actual Cost Adjustment Audit Report (the "Report" or "ACA"), attached hereto as Exhibit A, contains the audit findings of the Staff, the responses thereto of the Company, and the recommendations of the Staff to the Company in addressing the findings.

The Company's initial filing, received by the Authority on March 31, 2000, indicated an under-collection of gas costs in the amount of \$3,410.14. The Staff's audit findings showed a net over-collection of gas costs of \$5,755.33. Therefore, the correct ACA balance at RBS is an over-collection of \$2,345.19. In order to refund this amount over the next twelve (12) months, the Staff recommends that the Company include a refund factor on its customers' bills of negative \$.0706 starting with the September 2000

billing period. As stated in the Report, the Company agreed with each of the Staff's findings.

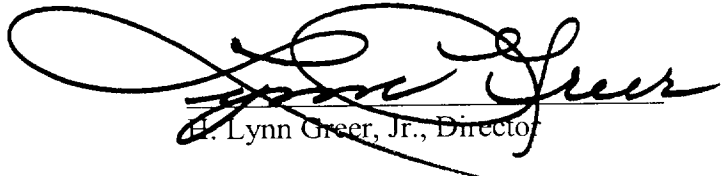
After consideration of the Report, the Authority unanimously approved and adopted the Report, including all findings and recommendations contained therein.

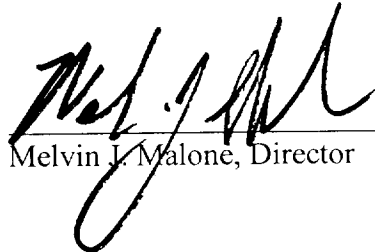
IT IS THEREFORE ORDERED THAT:

1. The Actual Cost Adjustment Audit Report, a copy of which is attached to this order as Exhibit A, is approved and adopted, and the findings and recommendations contained therein are incorporated in this Order as if fully rewritten herein; and

2. Any party aggrieved by the Authority's decision in this matter may file a Petition for Reconsideration with the Authority within fifteen (15) days from the date of this Order.


Sara Kyle, Chairman


H. Lynn Greer, Jr., Director


Melvin J. Malone, Director

ATTEST:


K. David Waddell, Executive Secretary